Defense Health Agency
Pharmacy Operations Overview

Pharmacy Shared Services
October 31, 2013

MILITARY HEALTH SYSTEM (MHS)
Governance Transition

Agenda

Agenda Item	Speaker
• Overview of the Defense Health Agency (DHA)	Lt Gen Douglas Robb
• Overview of DHA Pharmacy • What is the DHA's Part? • How DHA Pharmacy Will Support You	RADM Thomas McGinnis
• Business Process Reengineering Initiatives • Long-Term Pharmacy BPR Initiatives • Key Metrics for Success • Key Milestones • Home Delivery Growth • TRICARE for Life Prescription Pilot • What is Your Part?	Col George Jones

Why the DHA?

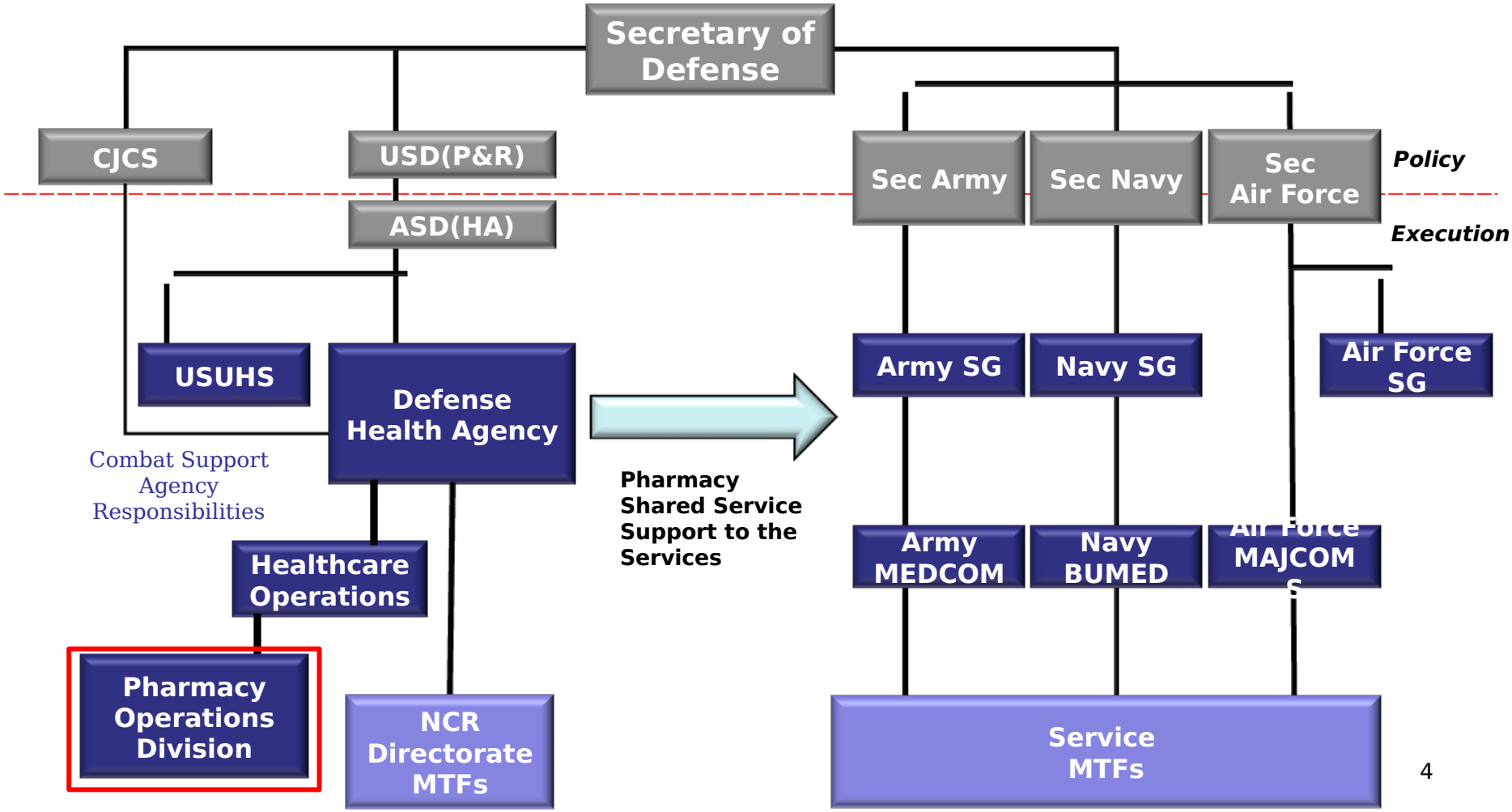
The MHS has a bill to pay:

- MHS will meet $17 – 22 billion savings by FY19
- DHA shared services will meet $2.3 billion savings by FY19
- Pharmacy must deliver $1.3 billion of that savings

The way we do business matters

Structure and Vision of the DHA

The DHA will enable the medical Services to provide a medically ready force and a ready medical force in both peace time and wartime



Structure of the DHA: Pharmacy Operations Division

FTEs	
At IOC	76
By 30 September 2014	79

Pharmacy Operations Division Chief
CIV, 1 FTE

Deputy Chief
MIL, 1 FTE

Service Consultants/ Board of Advisors

Service SGs

Chief of Staff / Personnel Operations
CIV, 1 FTE

Informatics & Operations Branch Chief
CIV, 1 FTE

TPharm Operations Branch Chief
CIV, 1 FTE

Integrated Utilization Branch Chief
CIV 1 FTE

Pharmacoeconomic Branch Chief
MIL, 1 FTE

Informatics & Operations Deputy Chief
MIL, 1 FTE

TPharm Operations Deputy Chief
MIL, 1 FTE

Integrated Utilization Deputy Chief
MIL, 1 FTE

Overview of Roles and Responsibilities: *To manage and support execution of ongoing and future enterprise-wide pharmacy activities*

DHA POD Staff
MIL, CIV, & CTR, 69 FTEs

Army | **Navy** | **Air Force**

MILITARY HEALTH SYSTEM (MHS)

New position to be filled by a nominated Service billet

Two-way communication between DHA and Services

DHA's Part: DHA Pharmacy Operations

Mission: To direct the DoD Pharmacy benefit in support of the MHS' mission through effective planning, programming, budgeting, and execution of DoD pharmacy operations

Goals:

- Advise DoD Health Affairs (HA) on policy development and priorities related to Pharmacy
- Create and implement a unified set of business rules to guide and execute DoD policies for Pharmacy, with consideration for:
  - Beneficiary satisfaction
  - Cost-effectiveness
  - Evidence-based best practices
  - Retail recapture to Home Delivery and MTF
  - Data-driven performance measures
- Align efforts across the enterprise to support pharmacists to provide medication management
  - Transfer maintenance prescriptions to home delivery to allow pharmacists to spend less time filling prescriptions and more time delivering medication therapy management
- Develop authorized clinical pharmacist positions to participate in direct medical care (i.e., Patient Centered Medical Home (PCMH))

How DHA Pharmacy Operations Will Support You

With the TRICARE for Life (TFL) pilot beginning soon, the DHA Pharmacy Operations Division (POD) will provide uniform guidance and central resource support to efficiently move prescriptions from retail to home delivery and MTFs

Initiative	Benefit to Pharmacy Community
1 Business Process Reengineering	Results will standardize select pharmacy processes across MTFs in order to improve operational efficiency and to enhance the pharmacy experience for beneficiaries
2 Centralized Pharmacy Checkbook	The DHA POD will centrally manage funds for outpatient pharmaceutical purchases and support requirements associated with workload growth
3 Staff Augmentation Contract to Meet Workload Requirements	The DHA POD will guide contract staffing augmentation process to support increased workloads resulting from retail recapture

Current BPR 1: Prescription Transfer Process

DHA Pharmacy Ops worked with MTF-level Service SMEs to develop policy and guidance designed to make the transfer process into the MTF easier and more efficient:

- HA policy with DHA procedural guidance to support prescriptions that are transferred into the MTF should a beneficiary request it
  - MTF pharmacies will transfer prescriptions that are on the DoD Uniform Formulary into their MTF should a beneficiary ask
- DHA standard tool to help facilitate transfers with less manual effort from MTF pharmacists
  - Interim tool will include a standard transfer authorization with common data fields necessary for transfer
  - Final tool will be an online transfer database to eliminate time spent trying to call other MTFs to validate and complete transfers
- DHA Pharmacy Ops expects the policy and operational guidance to be published in the near future

Current BPR 2: Centralized Pharmacy Checkbook

DHA Pharmacy Ops will control the Pharmacy “checkbook” for outpatient pharmaceutical purchases to ensure MTFs are able to make consistent and cost-effective enterprise based purchasing decisions:

- Consistent implementation of Uniform Formulary product selection

- Central funding will allow the DHA to provide flexible staffing and resources to support recapture

- DHA will be able to plus-up drug supply, augment staffing based on workload increases, centrally support automation contracts and services, and support expanded MTF formularies

Current BPR 3: Staff Augmentation Contract

DHA Pharmacy Ops is committed to supporting MTF pharmacies, should prescription workload increase, by supplying flexible staffing consistent with changing workloads:

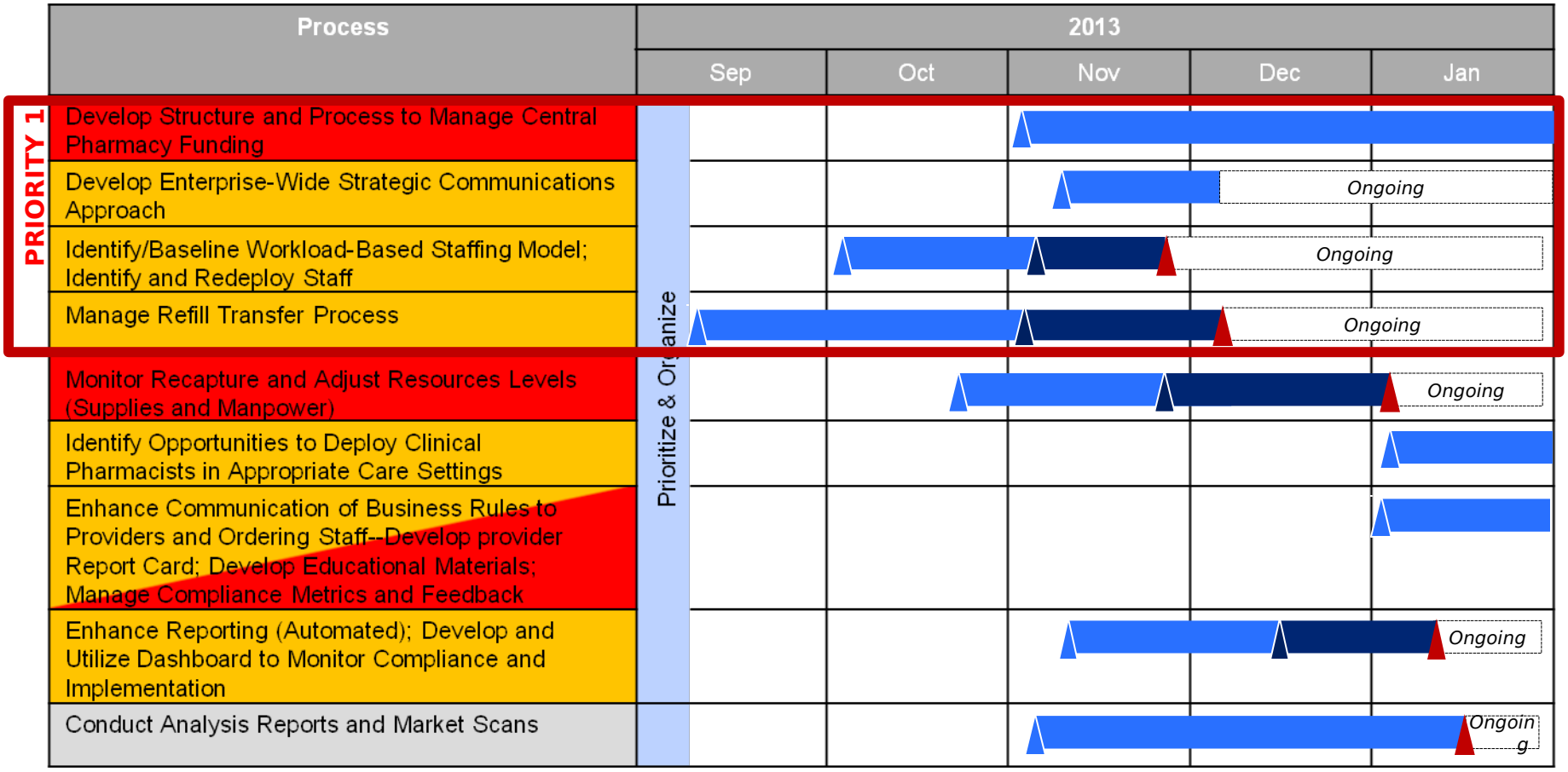
- Provide MTF outpatient pharmacies with the opportunity to acquire pharmacy manpower through one or more DHA-established staff augmentation contracts

- The DHA Pharmacy Ops manpower standard will be used to assess changes in MTF workload and identify the need for additional staff

  - Manpower model is based on the validated AF staffing model

  - FY13 data is the baseline for prescription workloads

Future Pharmacy BPR Initiatives



MILITARY HEALTH SYSTEM (MHS)

Key Metrics for Success: Near Term

#	Metric	Management Question	Development Status
1	Maintenance medication refills filled at all points of service drilled down by catchment area and distribution of enrollment status	Are our MTF pharmacy workloads increasing as a result of pharmacy benefit change?	
2	MTF, retail, and mail order market share by catchment area and distribution of enrollment status	Are we reducing retail pharmacy use?	
3	Net pharmacy cost to government per member per year by catchment area and distribution of enrollment status	Are pharmacy benefit costs decreasing as a result of changes to the benefit?	
4	% of prescriptions filled as generic when generic is identified as a preferred agent	Are our MTFs purchasing drugs in alignment with enterprise's formulary decisions?	
5	% compliance with purchasing from national contracts (Prime Vendor); augment with PDTS data for product match	Are our MTFs purchasing drugs in alignment with enterprise's purchasing strategy?	

Pharmacy Key Metrics* - Mid/Long Term

#	Metric	Management Question	Development Status
6	Net total healthcare cost to the government per member per year by catchment area and distribution of enrollment status	Are we managing total cost of care for a person over time?	
7	Staffing variance with the adopted universal MTF outpatient staffing standard	How much additional manpower do we need to support retail recapture?	
8	% of civilian provider prescriptions e-prescribed and filled at MTFs	Are our MTF pharmacy workloads increasing as a result of private sector providers' e-prescribing?	
9	Annual projected cost-avoidance estimate for a formulary course of action selected compared to a baseline formulary status for each class review completed	How much are we saving by monitoring the market and updating the formulary with equally effective, lower cost drugs?	
10	Cumulative annual cost-avoidance estimate of all classes reviewed at each quarterly P&T meeting	How much are we saving by monitoring the market and updating the formulary with equally effective, lower cost drugs?	

In development

Developed, but no baseline

Baseline & targets exist

*Based on CONOPs, BPR, and Reports to Congress

Pharmacy Key Metrics* - Mid/Long Term

#	Metric	Management Question	Development Status
11	Execution of the process for limiting coverage of newly approved FDA innovator drugs not yet reviewed by the P&T Committee	N/A	
12	% adherence to purchasing maintenance contracts for automation products via centralized contracts	Are our MTFs purchasing pharmacy automation in products/services in alignment with enterprise's purchasing strategy?	
13	% adherence to purchasing automation products and services via centralized contracts	Are our MTFs purchasing pharmacy automation in products/services in alignment with enterprise's purchasing strategy?	
14	Ratio of pharmacists embedded in PCMH to patients	Are our medical home patients achieving better clinical outcomes due to pharmacists' inclusion in care management teams?	
15	Percentage of MTFs that have pharmacists embedded or supporting MTF PCMH Teams	Are our medical home patients achieving better clinical outcomes due to pharmacists' inclusion in care management teams?	

In development

Developed, but no baseline

Baseline & targets exist

*Based on CONOPs, BPR, and Reports to Congress

Pharmacy Key Metrics* - Mid/Long Term

#	Metric	Management Question	Development Status
16	Medication adherence rates in PCMH (for selected medications)	Are our medical home patients achieving better clinical outcomes due to pharmacists' inclusion in care management teams?	
17	Clinical pharmacy penetration into geriatric population	Do clinical pharmacy services at MTF outpatient pharmacy/clinics improve patient outcomes?	
18	Percent of newly identified high risk patients receiving medication therapy management review by a clinical pharmacist	Are we taking care of patients with chronic illness or complex medical/social problems?	
19	MTF outpatient pharmacy patient wait time for initial contact with the concierge	Are our patients satisfied with MTF outpatient pharmacy?	
20	MTF outpatient pharmacy patient wait time for service	Are our patients satisfied with MTF outpatient pharmacy?	

In development

Developed, but no baseline

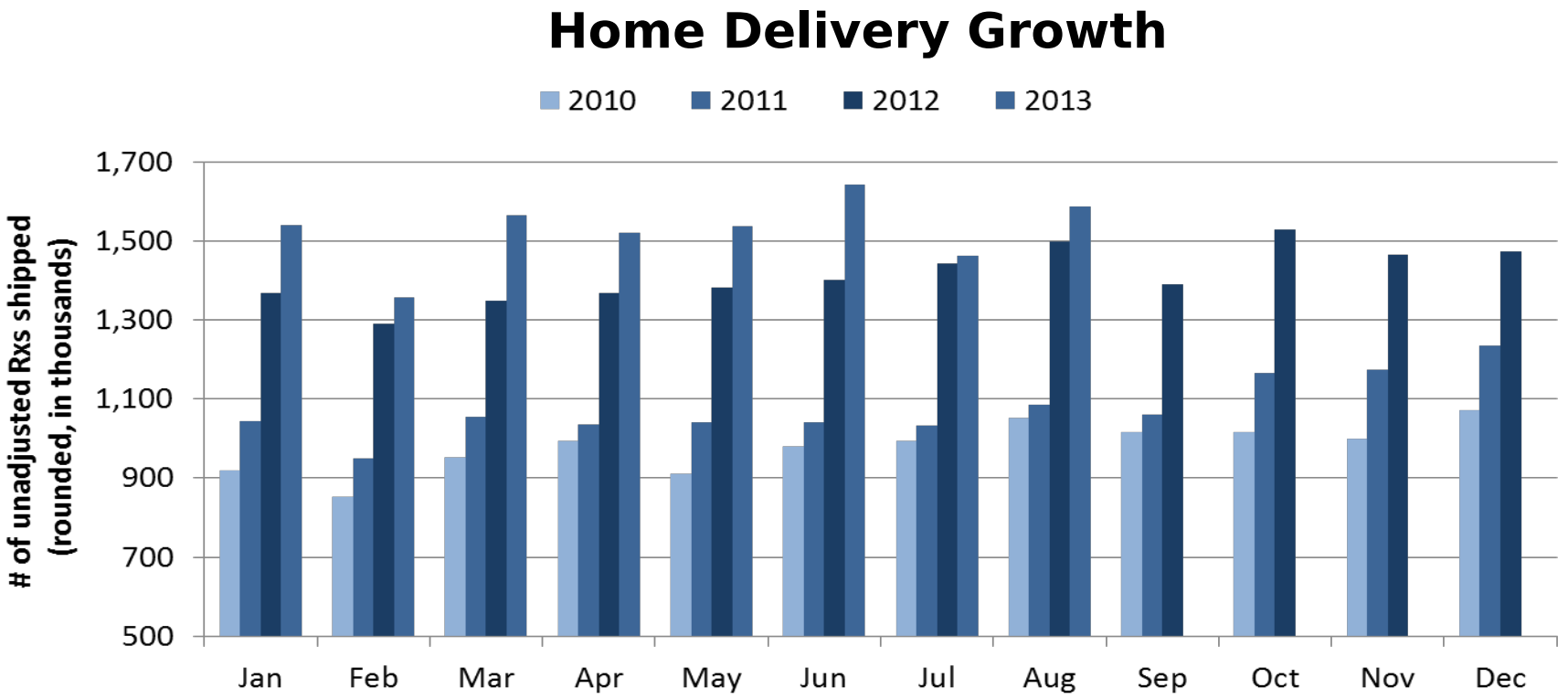
Baseline & targets exist

*Based on CONOPs, BPR, and Reports to Congress

Pharmacy Shared Services: Key Milestones in FY14

Key Milestones	
Milestone	**Progress**
Publish the TRICARE For Life pilot interim final rule	**% Complete:** 75% **Tasks completed:** Sent to OMB **Tasks remaining:** OMB to publish the interim final rule
Improve MTF prescription transfer process	**% Complete:** 75% **Tasks completed:** Performed current state analysis, identified process improvement opportunities, drafted future state policy and guidance **Tasks remaining:** Disseminate the draft prescription transfer policy and guidance and solicit comments, finalize the policy and guidance
Develop POD strategic communication plan	**% Complete:** 25% **Tasks completed:** Developed the project charter, drafted the project plan **Tasks remaining:** Develop project plan, conduct working session
Improve Home Delivery Prescription Transfer Process	**% Complete:** 50% **Tasks completed:** Developed beneficiary communications plan, identified customer service improvements **Tasks remaining:** Define current state, identify improvement opportunities, execute contract modifications
Define process for the management of centralized pharmacy funding	**% Complete:** ~10% **Tasks completed:** Developed the project charter **Tasks remaining:** Develop project plan, conduct current state assessment, identify change requirements, develop the future state, pilot, implement
Establish centralized staffing contract	**% Complete:** 10% **Tasks completed:** Developed the project charter **Tasks remaining:** Develop project plan, establish DHA contract(s)

Can We Deliver? – Yes!



Volume Growth From Prior Year			
	2011	2012	2013 YTD
Home Delivery	9.9%	31.2%	10.0%
Retail	-0.2%	-10.0%	-6.8%

Retail Maintenance Volume:

- **Down 2.5%** in 2011;
- **Down 14.6%** in 2012;
- **Down 13.1%** in 2013 YTD

Source: Express Scripts Home Delivery Growth Dashboard

TRICARE For Life Prescription Pilot – Coming Soon

TRICARE beneficiaries who are Medicare eligible (using TRICARE for Life) must refill their brand-name maintenance prescriptions using either Home Delivery or MTF Pharmacy

- Implementation dependent on Office of Management and Budget (OMB) approval and publication of interim final rule (expected mid-November 2013)
- Communications planning underway
  - Letters to affected beneficiaries
  - Explanation Of Benefit (EOB) messages
  - Express Scripts education and marketing
  - Civilian and MTF provider education
- Materials will be shared with MTFs

MTF's Part – Your Responsibility to Meet Our Goals

During this transition, the Service's network of pharmacies will play vital roles in the success of each initiative:

1.Execute standardized pharmacy operations – eliminate variance

- Support patients in transferring prescriptions to and from other pharmacy locations
- Evidence-based best practices
- Beneficiary satisfaction

2.Execute optimization of the pharmacy benefit

- Retail recapture to Home Delivery and MTF

3.Share your expertise, experience and knowledge base with DHA Pharmacy operations

- Participate in BPR working groups

4.At the end of the day, we must provide a high-quality, affordable and sustainable pharmacy benefit

Questions?